

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GLOBAL WATS ONE, INC./GLOBAL TELEMEDIA,
INC., GLOBAL TELEMEDIA INTERNATIONAL,
INC., AND CAT INTERESTS LIMITED

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)
) CASE NO. 95-491
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ALLEGED VIOLATIONS OF KRS 278.020(4),
KRS 278.020(5) AND KRS 278.300

ORDER TO SHOW CAUSE

Global Wats One, Inc. ("Global Wats"), a utility subject to Commission jurisdiction under KRS 278.010(3)(e), filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to provide intrastate, long-distance telecommunications services as a reseller within the Commonwealth of Kentucky on May 20, 1994. Notwithstanding the fact that the information Global Wats provided in its application to demonstrate its financial, managerial, and technical capability to provide the services did not include a statement that it was a subsidiary of Global TeleMedia International, Inc. ("Global International"), the Commission granted Global Wats authority to provide the services on August 1, 1994.¹

On October 2, 1995, Global International filed with the Commission a letter dated August 22, 1995, which notified the Commission of a July 12, 1995 transfer of Global Wats to CAT

¹ Case No. 94-205, Application of Global Wats One, Inc. for a Certificate to Resell Telecommunications Service.

Interests Limited ("CAT"). The letter also informed the Commission that Global Wats was a subsidiary of Global International.

On October 27, 1995, Melissa D. Hart, corporate secretary for Global International, informed Commission Staff that in June or July of 1995, CAT advanced monies to Global International "on a pending stock acquisition agreement," which had not been approved by the Commission. According to Ms. Hart, Global International defaulted on the loan and CAT, pursuant to an "adversarial foreclosure agreement," foreclosed on certain assets of Global International. Specifically, CAT acquired 100 percent ownership of Global Wats, which was then operating out of Global International's office in Atlanta, Georgia and which, prior to the acquisition of ownership by CAT, had applied for a name change from Global Wats One, Inc. to Global TeleMedia, Inc. CAT has not filed any information with the Commission regarding this matter.

Having reviewed Global International's August 22, 1995 letter and being otherwise sufficiently advised, the Commission finds that a prima facie showing has been made that Global International, Global Wats/Global TeleMedia, Inc., and CAT are in violation of KRS 278.020(4), KRS 278.020(5), and KRS 278.300.

The Commission, on its own motion, HEREBY ORDERS that:

1. Global International, Global Wats/Global TeleMedia, Inc., and CAT shall appear before the Commission on December 20, 1995 at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged

violations of KRS 278.020(4), KRS 278.020(5), and KRS 278.300, and of showing cause why they should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violations.

2. Global International, Global Wats/Global TeleMedia, Inc., and CAT shall submit to the Commission, within 20 days of the date of this Order, written responses to the allegations contained herein.

3. Global International's letter to the Commission dated August 22, 1995, which is appended hereto, is made part of the record of this proceeding.

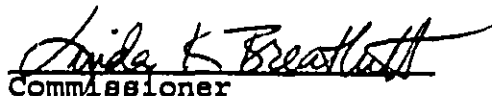
4. Any motion requesting an informal conference with Commission Staff to consider the simplification of issues or any other matters which may aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 16th day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-491 DATED NOVEMBER 16, 1995.

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

August 22, 1995

Kentucky Public Service Commission
730 Schenkel Lane
Post Office Box 615
Frankfort, Kentucky 40602

Re: Certificate of Authority to Operate as a Resale Carrier
Global Wats One, Inc./Global TeleMedia, Inc.

RECEIVED

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GENERAL COUNSEL

Gentlemen:

Global TeleMedia International, Inc. ("GTMI") hereby gives you notice that it has transferred the ownership of its subsidiary, Global Wats One, Inc./Global TeleMedia, Inc., along with the respective foreign corporation designations, Certificates of Authority and customer list to CAT Interests Limited ("CAT") effective July 12, 1995.

Accordingly, and beginning immediately, would you kindly take note of the foregoing and mark your records accordingly. Any and all responsibilities for monthly, quarterly and/or annual reporting as required by the Commission are hereby assumed by CAT as of the effective date above, and in the event that you need to correspond with CAT you may write to them at:

CAT Interests Limited
Skye Suite, Mollford House
2 Water Street
Ramsey, Isle of Man

and

CAT Interests Limited
c/o Wilson, Elser, Moskowitz, Edelman & Dicker
100 Southeast Second Street
3800 International Place
Miami, Florida 33131
Attn: James M. Kaplan, Esq.

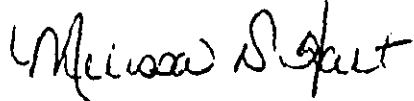
Kentucky Public Service Commission
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The officers, directors and management personnel of Global TeleMedia International, Inc. which are indicated and identified in Global's application and tariff are in no way associated with this acquiring entity and further make no representations to the Commission regarding CAT Investments Limited or its abilities to facilitate its obligations as required by the Commission.

Further, the officers, directors and management personnel of Global TeleMedia International, Inc. are unknowledgeable of any provisions that have been made to facilitate customer service responsibilities as these responsibilities are no longer being facilitated by GTMI trained personnel.

Sincerely,

GLOBAL TELEMEDIA INTERNATIONAL, INC.



Melissa D. Hart
Corporate Secretary

